PHARMACY

Number of Rxs filled in U.S. rises for 2nd straight yr.

Continued from page 21

that the total number of prescriptions dispensed by United States drug stores peaked in 1973, and then declined gradually but steadily during the rest of the 1970's.

The downtrend began to reverse in 1980—last year's F.D.A. utilization study showed a 2% gain in Rx count for the nation—and the latest NPA figures reveal a second straight annual rise for 1981, according to the agency's new review.

At the same time, the size of the average prescription, which has been rising steadily since 1971, continued to grow, the new F.D.A. report indicates.

A more refined F.D.A. estimate of long-range drug utilization trends (adjusted for prescription size and population) found that "overall utilization actually increased through 1976, decreased temporarily in 1977-79, and increased in 1980 and 1981," agency researchers said. "By any measure, the downward trend in total drug use appears to have been a short-lived phenomenon."

View determines top sellers

What's the No. 1 drug now?

That question is easier asked than answered, according to F.D.A.'s freshly published *Drug Utilization Review* covering prescription products dispensed during 1981.

The simplest answer, of course, is Valium, which maintained its slim but perennial lead over Inderal as the nation's most heavily prescribed drug.

But according to F.D.A. analysts, Valium is the correct answer "only if one is interested in individual brands."

If the perspective shifts from drug brands to specific categories of prescription products, analgesic codeine combinations emerge as the most frequently dispensed drugs while benzodiazepine minor tranquilizers such as Valium drop to third place.

And "if major therapeutic classes are considered, 'codeine combinations' becomes an incorrect answer, with codeine and other ethical analgesics ranking fourth and systemic anti-infectives being the most common products," F.D.A. said.

Ranking drug chemicals across different products and therapeutic indications—"a more precise method of assessing the top drug," according to agency researchers—produces yet a different winner: hydrochlorothiazide. (See related chart on page 21.)

F.D.A.'s top 10 drugs by major therapeutic class

Rank	Therapeutic class	Rxs in millions	% of Market
1	Systemic anti-infectives	182.0	13
2	Cardiovascular drugs	178.2	13
3	Psychotherapeutics	120.3	9
4	Analgesics (ethical)	109.7	8
5	Diuretics	103.9	7
6	Cough and cold	97.6	7
7	Hormones	85.0	6
8	Antiarthritics	65.4	5
9	Contraceptives	55.0	4
10	Antispasmodics	46.1	3

Source: F.D.A.'s *Drug Utilization in the U.S., 1981*

F.D.A.'s Top 10 drugs by specific drug categories

Rank	Category	Rxs in millions	% of Market
1	Codeine analgesics, noninjectable	57.7	4
2	Antiarthritics, systemic (eg., nonsteroidal anti-inflammatories)	55.7	4
3	Benzodiazepine minor tranquilizers	55.4	4
4	Oral contraceptives, combination	54.4	4
5	Prescription cold preparations (without analgesics)	49.3	3
6	Beta blockers	42.7	3
7	Diuretics, thiazides & related	40.8	3
8	Potassium, sparing diuretics	35.7	3
9	Erythromycin	31.3	2
10	Other antihypertensives (eg., methyldopa)	27.7	2

Source: F.D.A.'s *Drug Utilization in the U.S., 1981*

F.D.A.'s Top 10 drugs by chemical classification

Rank	Name	Rx in millions
1	Hydrochlorothiazide	73.4
2	Codeine	65.4
3	Combination oral contraceptives	54.4
4	Erythromycin	32.5
5	Propranolol	30.6
6	Diazepam	29.1
7	Triameterene	28.2
8	Digoxin	25.0
9	Furosemide	24.2
10	Atropine	23.8

Source: F.D.A.'s *Drug Utilization in the U.S., 1981*

Profitable reading on April 4:
The Book/Magazine Supplement

Rx Capsules

NUTRITIONAL PRODUCT SALES are estimated at $350 million (consumer level) in 1981 and they are forecast to more than double (in constant dollars) by 1991, advises Frost and Sullivan Inc. The firm's "Adult Enteral and Parenteral Nutrition Market" analysis claims growth will be fueled by significant developments in intravenous feedings, due to improvements in equipment and product advances. . . .

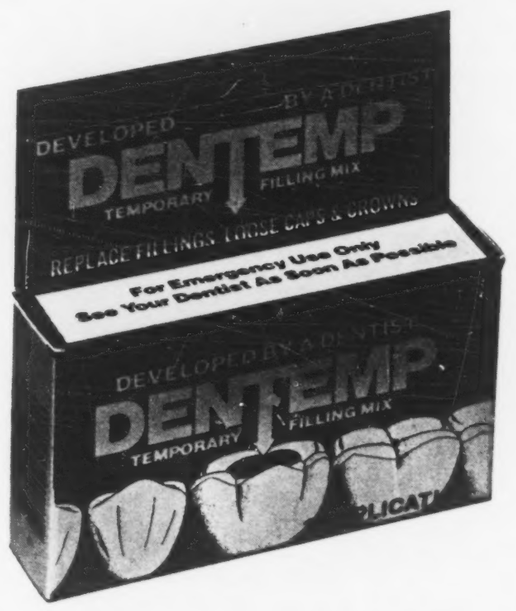
TALWIN 50's reformulation will eliminate the drug's misuse in combination with the antihistamine tripelennamine—known as T's and Blues. The reformulation called Talwin Nx contains 0.5mg of naloxone, which should prevent street addicts from injecting the mixture. The new combo, available in early March, is said to be as safe and effective as Talwin.

Correction

The Dec. 13th issue of *Drug Store News* (page 9) incorrectly reported PCS provided patients' names and addresses to providers of mail-order prescription services. This description is technically inaccurate. PCS does not directly provide enrollees' prescription files to mail-order suppliers. But third-party processor PCS does provide its clients—insurance underwriters or patients' employers—the files. Administrators at either of these two places then analyze the drug utilization records and decide whether a mail-order prescription program will be cost effective—for themselves, not necessarily the patient. If the program is cost effective, patients will be requested to participate in selected mail-order programs.

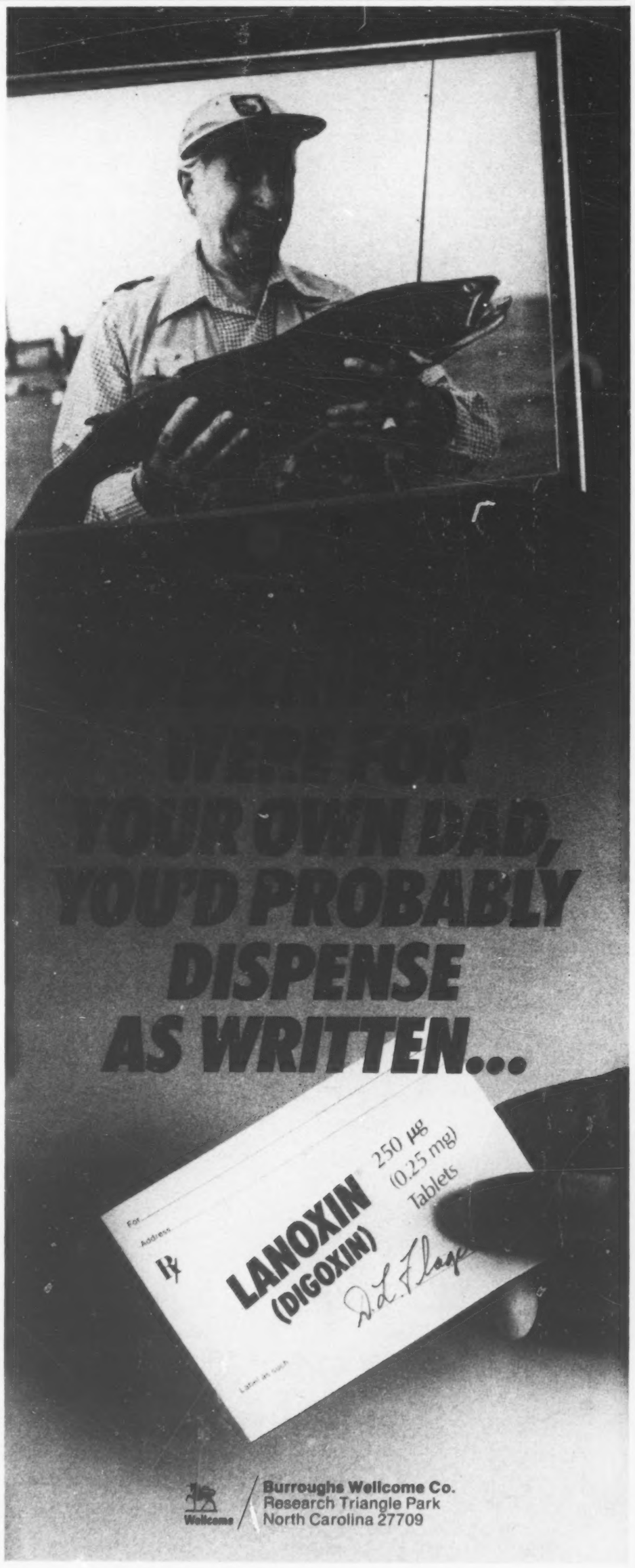
The difference between a job and a career is about 20 more hours a week.
Herpecin-L®
Cold Sore Lip Balm. *"It Works!"*
Write: CAMPBELL LABORATORIES, INC.
P.O. Box 812-A, FDR, NY, NY 10150

If you have ever lost a filling or had a loose cap or crown, and couldn't get to your dentist immediately, even you might have suffered!



***Now there's* DENTEMP®**

For information contact your wholesaler or call Majestic Drug Co., Inc. collect: 212-292-1310



BEST AVAILABLE COPY

C5150-2
2/24/83

0000040
ACQUISITIONS EDITOR
CONGRESSIONAL INFO SVC INC
4520 EAST-WEST HWY
WASHINGTON DC 20014

2 DR

HAIN STORE AGE
CHANDISER

cards captivate impulse buyers—p. 8

RUG STORE NEWS®

Vo corporating CHAIN STORE AGE Drug Magazine Published by Lebhar-Friedman Inc./February 21, 1983

Backers see safe passage for crime bill

WASHINGTON—New Federal pharmacy crime legislation introduced earlier this month in the House and Senate will pass Congress and be signed by the President by "early spring," sponsors of the bill told *Drug Store News*.

Although similar proposals to make robberies of controlled substances from drug stores a Federal crime have died in Congress each year for the past decade, supporters of the new measure are convinced that the legislation will "sail through" this time around.

Behind the legislative optimism surrounding this year's bill: assurances by House Crime Subcommittee Chairman William Hughes (D-N.J.) that hearings on the bill will be scheduled "at the earliest possible date."

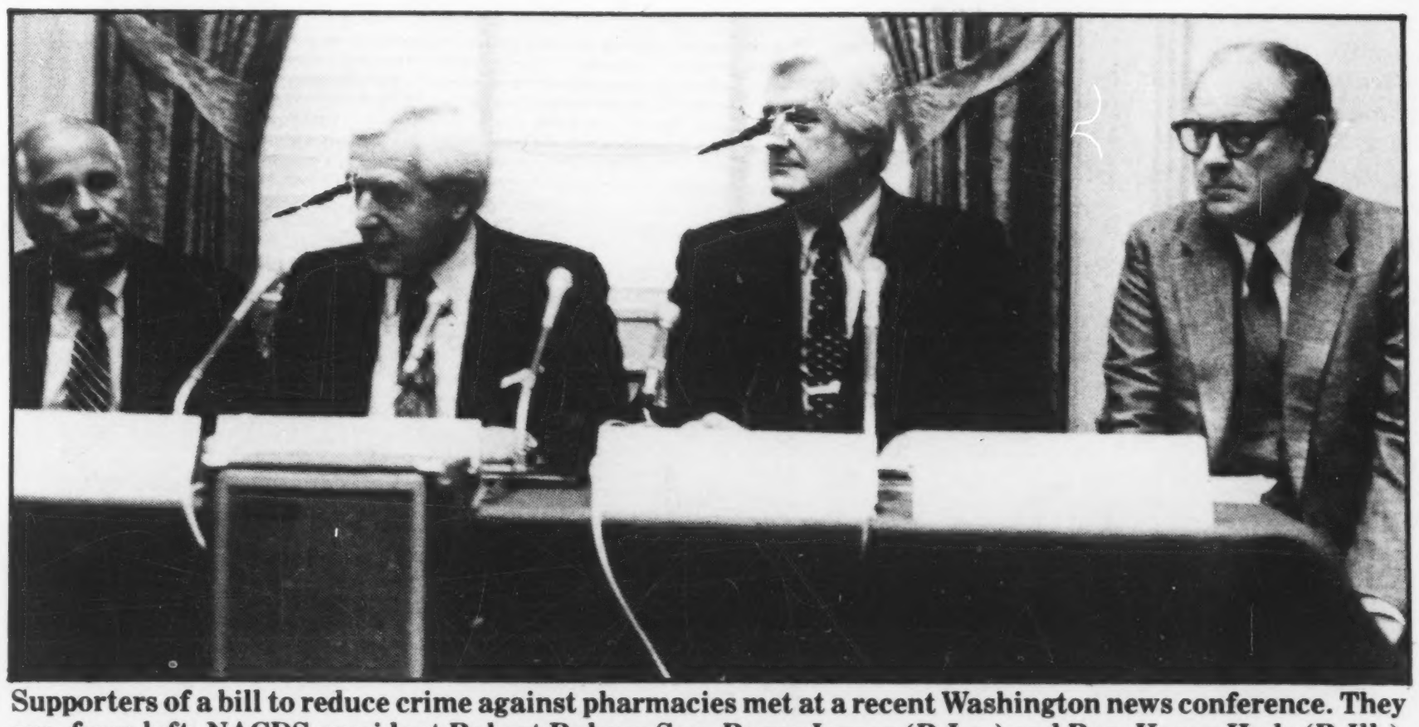
Backers of the pharmacy crime legislation secured that commitment for quick House hearings this year as part of a dramatic Congressional horse trade during the '82 lame duck session.

Under that deal, sponsors of the drug robbery measure withdrew their proposal to clear the path for "emergency" legislation setting Federal criminal penalties for drug product tampering.

"When the 'Tylenol bill' passed we extracted sound legislative assurances that we will get support for our bill when it comes up" this year, Sen. Roger Jepsen (R-La.) said.

For their part, both chain and independent drug store representatives called for prompt Congressional action on the

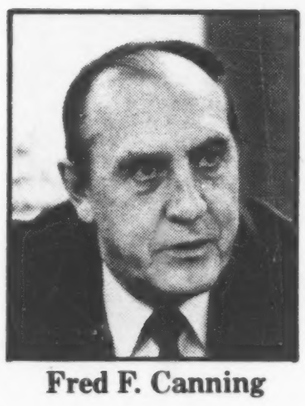
Continued on page 60



Supporters of a bill to reduce crime against pharmacies met at a recent Washington news conference. They are, from left: NACDS president Robert Bolger; Sen. Roger Jepsen (R-La.) and Rep. Henry Hyde (R-Ill.), sponsors of the bill, and NARD executive vice president William Woods.

Executives give Reagan mixed rating

NEW YORK—Top chain drug executives gave the Reagan Administration generally good midterm marks for lowering inflation, bringing down interest rates and relaxing regulatory activity.



Fred F. Canning

They also told *Drug Store News* they were pleased with what they see as renewed consumer confidence, and several execs proposed the Government initiate incentive programs to allow them to develop job-training programs for the high-technology areas evolving.

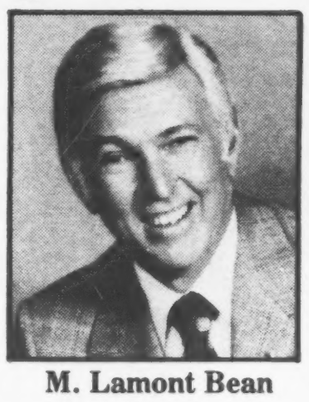
But they expressed concern about other aspects of the economy under the President's Administration, including high unemployment and growing Federal deficits that may lead to a new round of interest rate hikes.

"We're generally pleased with what we see of Mr. Reagan's economic program to date," said Fred F. Canning, president and coo of the Walgreen Co. "Lower inflation rates are a help to everyone—consumer and retailer alike. We are hopeful that the inflationary growth will remain at 5% or below."

But Canning went on to add "large Federal deficits are major negatives, and although interest rates are down, they still seem high for continuous economic recovery."

Robert Begley

Executives from chains such as Peoples, Pay 'n Save, Perry, Medicare-Glaser and Begley generally echoed Canning's remarks and added a few observations and concerns of their own.



M. Lamont Bean

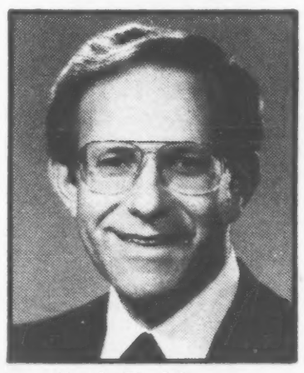
M. Lamont Bean, chairman of the board at Pay 'n Save, noted that while lower inflation rates are a boon, especially to people on fixed incomes, the tough economic policies needed to lower inflation have caused high unemployment.

"It's a tough pill to swallow for the 11 million people who are out of work," he said.

Jack Robinson, chairman and ceo of Pontiac, Mich.-based Perry Drug, said that in areas like Pontiac and Flint, Mich., "the levels of unemployment are deplorable. Michigan has its own private depression, and it started in 1979."

Robinson added if interest rates don't decline further, high jobless levels are likely to persist. "Interest rates must drop to lower levels if consumers are going to return to their prerecessionary purchase patterns," he said.

The Perry chief executive added another cautionary note: "Interest rates must not be allowed to go into a yo-yo pattern—up and down gyrations. That would create distrust in the financial community," he observed.



Jack Robinson

Sheldon Fantle, president and ceo of Peoples Drug Stores, was another executive who expressed worry over the size of the Federal deficit.

"The Government will find out that problems will result if too much income is used to service high levels of debt."

Continued on page 60

New Peoples division to focus on security

By Allen Mundth

ALEXANDRIA, Va.—A five-year antishrink campaign that has netted scores of shoplifters, armed robbers and dishonest employees in Peoples Drug Stores has spawned a new subsidiary for the 564-store chain.

Peoples executives are so pleased with the company's closed-circuit television security program that they've gone into the security business themselves, eying other retailers, including major drug store chains, as customers.

Eckerd, Revco and Gray Drug Fair have already hired Peoples' new division, Management Safeguards, to provide low-cost, easy-to-maintain security systems for their stores. And major supermarket chains, such as Safeway, have also called for help.

Why all the attention?

It seems as though Peoples, almost by accident, stumbled

Continued on page 61

Chains are beefing up the fight against shoplifting with closed-circuit television monitors.

Hard times incite more shoplifters

NEW YORK—Record unemployment, high prices and the recession have turned a growing number of formerly innocent Americans into shoplifters, according to a national research organization.

And drug chains, especially those in the hard-hit Midwest, are apprehending an increasing number of shoplifters.

The National Coalition to Prevent Shoplifting, which is based in Atlanta, detected the trend in the Christmas buying season, but chains such as Gray, Revco and Perry saw the pattern developing through all of last year.

At Perry, the number of shoplifters arrested in fiscal 1982 was 88% greater than in fiscal 1981. And for fiscal 1983, which began on Nov. 1, 1982, the number of suspects has increased another 88%, according to Bill Krupka, the chain's security director. Until recently, shoplifting had been increasing at a 30% rate each year, he said.

In fiscal 1982, 1,606 shoplift-

Continued on page 61

Path to salon product sales: no red carpet

By Mike Dunn

CLEVELAND—Drug stores that sell professional hair care products are cashing in on higher margins, adding prestige to their hair care sections and luring some customers who otherwise might shop elsewhere.

But drug retailers occasionally have to cross a legal mine field to get some of these products for their shelves.

They also have to wind their way through a maze of diverters to find the items, and the maze sometimes is blocked by manufacturers.

Nexxus Products Co. last summer cut off Jim Mindala's $40,000-a-month distributorship after accusing him of diverting the company's products to drug stores.

Nexxus bills its products as items that have to be applied under the supervision of beauticians and maintains that distribution to drug stores lowers the prestige of the lines.

Mindala and his company, Block, Beauty and Barber, countered with a $2.5 million slander suit against Nexxus, company vp Stephen J. Redding and the manufacturer's distributors in northern Ohio.

Nexxus also has lawsuits flying across the country against

Continued on page 61

— News in brief —

NACDS names annual meeting speakers

ALEXANDRIA, Va.—Barbara Walters, the television journalist; William Safire, novelist, lexicographer and *New York Times* columnist, and Robert S. Strauss, former chairman of the National Democratic Committee and Carter Cabinet member, are among the speakers who will appear at the 1983 National Association of Chain Drug Stores' annual meeting. The meeting is scheduled for May 8-11 at the Washington Hilton, Washington, D.C.

Eckerd names Boenig division mgr.

CLEARWATER, Fla.—Eckerd Drug has named Gilbert E. Boenig Louisiana division manager, replacing Anthony J. Spedale, who has been appointed Lafayette district manager. Boenig, who joined the chain as a pharmacist in 1970, has been manager of the Houston District since August 1981.

No disruption in 1st week of trucker strike

NEW YORK—Drug retailers and wholesalers reported the first week of the independent truckers' strike did not cause any disruption in their supplies.

Most reported they rely on their own trucks to move merchandise from their warehouses to stores. They rely on large carriers for shipments from manufacturers and do some backhauling with their own trucks.

However, some smaller chains, such as Valco Drug in Martinez, Calif., rely on independent truckers for some shipments from manufacturers. Pat Keller, a co-owner of the 11-store chain, said approximately 25% of his merchandise is delivered by independent truckers. No problems were reported in the first week, but Keller said, "We'll see how things are by the middle of February."

Mrs. Charles R. Walgreen dies

WILMETTE, Ill.—Mary Ann Walgreen, wife of Charles R. Walgreen Jr., died Jan. 27, 1983. Mrs. Walgreen was 74.

Chicago-born, in 1931 she married Walgreen—the son of the late Charles R. Walgreen, who founded the drug chain in 1901. Their son, Charles R. Walgreen III, took over as chairman of the operation in 1971 following the retirement of his father.

She is survived by her husband, two sons, a daughter and a brother.

New Drug Emporium planned

CARROLTON, Tex.—Lou Anon, who operates the Drug Emporium franchise in Dallas, will open his third store here April 1 in an existing shopping center.

The new Drug Emporium will be 26,640 sq. ft. and occupy a freestanding building formerly occupied by Safeway.

The other two franchise stores are in Plano and Dallas.

Video boosts toy industry profits

NEW YORK—The toy industry rode the rising wave of video to post $9 billion in retail sales for 1982, a 13% increase above the 1981 level, according to the Toy Manufacturers of America.

Not counting video, toy sales declined 7%. Richard Grey, chairman of the TMA, said video accounted for 31% of the total 1982 sales volume, compared to 19% for 1981.

Small chain meeting: Picking exec talent

ALEXANDRIA, Va.—How small drug chains can spot effective managerial candidates will be discussed by James J. F. Clarke, executive vp of Management Research Associates, at the 1983 NACDS Small Chain Conference, Feb. 27-March 2, at the Royal Sonesta Hotel, New Orleans.

Winner of Nostalgia Quiz #18 chosen

The winner of $100 in *Drug Store News'* Nostalgia Quiz #18 is Chung Ping Chu of Eckerd Drug in Fort Pierce, Fla. The correct answer was Walgreens' store in the New York City Port Authority bus terminal. Nostalgia Quiz #21 can be found on page 33 of this issue.

In this issue

Classified	59	Pharmacy	47
Financial	5	Merchandiser	8
Merchandise news	56	Cosmetically speaking	29

SPECIAL FEATURES

Shareholders approve Dillon, Kroger merger 32
Rx industry leader profile: Steve LaVerdiere 47
Figures show women account for 60% of script sales 52

Drug Store News (ISSN 0191-7587), is published biweekly—every other Monday, monthly in December plus extra Pharmacist's Reference issue in March, by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscription rate $12 per year; $21/two years. Single copy rate $2.00. Outside U.S.A.: Canada $13, $23/two years. Foreign subscriptions: Airmail only $100 per year. Second-class postage paid at New York, N.Y., and additional mailing offices.

Copyright© 1983 by Lebhar-Friedman Inc. All right reserved. POSTMASTER: Please send address changes to Subscription Dept., Drug Stores News, 99 Park Ave., New York, N.Y. 10157. For change of address six weeks notice to Subscription Dept., 99 Park Ave., New York, N.Y. 10157 is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 5, No. 4 February 21, 1983

2 Thrifty executives outline expanded computer use

LOS ANGELES—Thrifty Drug will begin testing a second in-store computer system—an IBM Series 1 minicomputer with a pharmacy software package—in several of its units.

Richard Eils, president and coo, told shareholders at the chain's annual meeting that Thrifty had decided to look at a second system because "we are striving for additional potential applications. These include energy management, electronic payroll reporting and POS [point of sale] reporting."

Thrifty has been testing the Honeywell DPS 6 pharmacy terminal for almost a year. Both systems are standalone with a host computer at the central office.

"We have significantly expanded the Honeywell tests, and the system is in operation in 10 stores," Eils said.

"Initially, we want to apply the POS use to promotional merchandise in order to get an immediate measurement of unit sales and gross margins," Eils added. "This will be especially important in improving the in-stock status of ad merchandise."

Eils said in fiscal 1983 (ending Aug. 31, 1983), Thrifty plans to use improved hardware and software to computerize direct delivery to the stores.

Starting in February 1983, Thrifty will link up with a major vendor for computer-to-computer ordering. "This will reduce lead time for vendors," Eils noted, "as well as reduce inventory investment and out-of-stocks."

Eils also discussed Thrifty's new Merchandise Control System (MCS) for the warehouse. The system provides for automatic matching of receipts and invoices and reduces accounts payable expenses, as well as shortening the cash receipt cycle.

Richard Eils

Leonard Straus

Explains Eils: "MCS is a system which totally utilizes warehouse space and provides for automatic replenishment to the stores. In so doing, it reduces the cost of handling. In addition, MCS provides for zone retail pricing, and this enables us to improve gross margins by directly addressing the competition in specific geographic areas."

Eils also announced that during the next 18 to 24 months, other electronic programs will be in place. These include: corporate financial forecasting and in-house administration of health and dental programs (with comparison costs and benefits for each health plan). There will also be a human resources control program. "These electronic systems," Eils said, "will reduce general and administrative expenses."

It was announced at the annual meeting that quarterly dividends will be raised from 20¢ to 22¢, effective Feb. 28, 1983. This marks the seventh dividend increase in seven years.

Citing Thrifty's gains, Leonard Straus, Thrifty chairman, said from 1974 through 1982, sales increased at the compound rate of 11.2% while net income increased at a compounded 22.3%.

Straus discussed the sale of two Thrifty properties. One is the four-store Wonder World discount chain in Las Vegas, in which Thrifty held a master leasehold. "Sales in the subleased departments were over $30 million a year, but we did not produce profits in fiscal 1981 or 1982."

The other was Akron, a 45-year-old 21-store specialty retail chain which was sold to the Chan family of Hong Kong. Chan has the exclusive rights to rattan furniture produced in mainland China.

Straus updated shareholders on the progress of Crown Books and Trak Auto West, both in partnership with Dart Drug of Landover, Md. "There are now 111 Crown Book stores from coast to coast," Straus said, "and we expect the number to reach 141 by August, 1983—and then go to 160 by December, 1983. We are enjoying a modest profit on Crown."

Trak Auto West is the auto parts/accessories counterpart of Crown on the West Coast. Both sell at heavily discounted prices. Currently, Dart operates 39 Trak Auto stores in the

Continued on page 60

Subsidiary of A&P

Family Mart numbers to increase

MONTVALE, N.J.—A&P is reaffirming its confidence in the Family Centers subsidiary with plans to expand the Family Mart food/drug combination stores in both number and breadth of assortment.

"Family Centers subsidiary is one of the positive entities in the [A&P] company and is scheduled for continued growth," according to Bill Vitulli, vp of corporate affairs at A&P.

John Miles, newly appointed Family Centers president and ceo, was formerly chief operating officer of A&P's East Coast divisions. Vitulli described him as "the total store operator" because of his complete background in all aspects of store operations. "Though Family Centers is a wholly owned subsidiary, it is pretty privately run," the vp explained.

The Family Mart stores, located in the Southeastern states of Florida, South Carolina, North Carolina, Georgia and Alabama, will probably remain concentrated in that area.

The 22nd and newest addition to the Family Mart family was a 55,000-sq.-ft. store located in Elfers, Fla. The prototype store, however, is closer to 35,000 sq. ft.-40,000 sq. ft.

"If we put a store in a suburb of a large city, like St. Petersburg or Miami, we'll go in with a larger store and project higher sales per square foot. It really all depends on location and projected sales," Vitulli said.

In addition to store expansion, departments are being added with more diversity in the stores. The result is that old departments appear outwardly to be losing share in the store business. Actually, Vitulli said, "as we expand the store, instead of just enlarging the old departments, we added new ones such as auto, clothing and health food. For example, our [A&P] meat departments used to do 26% of the store business, but that figure has naturally gone down as we get added business in each store from other departments."

Management posts shifted at Eckerd Corp.

CLEARWATER, Fla.—Bill Campbell, former merchandise manager for Jack Eckerd Corp.'s Rac/Rite division, has been appointed director of merchandising. Campbell replaces Jim Revill, who has resigned.

Joining the company from Montgomery Ward, Campbell assumed his position with Rac/Rite last September. Zolt Selos has been named to the duties left vacant by Campbell's move. Selos joined Eckerd last July after eight years with Jewel Cos.

Other recent personnel changes at Eckerd include the resignation of Joe Terrell, vp distribution, a 21-year veteran, and Jim Bishop, former Florida division manager. Bob Ramsden vp of data processing, assumes Terrell's duties as well as responsibility for construction and Bob Smathers has added Bishop's area to his job as vp of finance and operations.

Finally, Neil Roth resigned as Florida merchandise manager to join Revco D.S., and Ed Kelly, former Clearwater district manager, assumed that position.

Kelly came to Rac/Rite in 1976 and worked his way up through the posts of merchandise manager for the corporate merchandise department, merchandise manager for Florida division and then Clearwater district manager of the Florida division.

Ernie Zost has been promoted to fill the spot of Clearwater district manager. Zost, a graduate of the University of Houston's pharmacy school, formerly served as a pharmacist, a pharmacy supervisor, area manager and store manager for Ward Drug which was acquired by Eckerd. In 1980 he became Rx operations manager.